App. F. IX-4

Previous References

1936-7
(45.)

File No. 46-36
Serial Nos. 6 47

Letter References.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two

Part B for 7th - 7.5

SUBJECT.

Report on the operations of the Nyasaland Public Debt Board
3½% Debenture Loan 1946-1957

To Mr. Sec. of State for Nyasaland.
Copies to Governor of Nyasaland
No 45865

WD 0418—GPH—22,500—29-8-36

Report on the operations of the Hydro-Electric at Mysore for the year 1936-1937

General and Revenue Secretariat

LB File No. 46 of 1936. [App. F. III—2

Serial No.	
6	From the Pdh. at Mysore, No. C. 1372/35-36 Dt. 15.1.37 forwarding report on the operations of the Hydro-Electric at Mysore for the year 1936-37. Enclosures (1) Report (2) Statement. Action may be ordered. 29/1/37
	Secretariat 2/IV/37
	5720/37 2/IV/37
	1/2
7	To the Pdh. at Mysore, Completed a copy of Mysore, No. L. 5865, Dt. 2/16-2-37 Received the report from the Dt. 8[illegible]

5435

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—6-9-36

LB 46-36 — 6

Office of the President, District Board,
Mysore District.

C No. 1372/35-36
Encls:- four

Dated, Mysore, 15th January 1937

3340

From

B. S. Puttaswamy, Esq., B.A., B.L.,
President, District Board,
MYSORE.

OFFICE OF THE DEPUTY COMMISSIONER
No. 8496 To
15 JAN 1937
D3
MYSORE DISTRICT

GEN. & REV. SECTT.
21 JAN 1937
L & S BRANCH

M. Venkatanaranappa, Esq., B.A.,
Development Secretary to Government,
BANGALORE.

Through the Deputy Commissioner, Mysore District.

Sir,

Forwarded with Compliments
Deputy Commissioner
Mysore Dist.

SUBJECT :— Report on the operations of the Mysore District Board 3½ % Debenture Loan 1946 - 1951.

I have the honour to submit the following report on the operations connected with the Mysore District Board 3½ percent - Debenture Loan 1946-51, floated in accordance with Government - Order No.4709-26/L.B.118-33-23 dated 19th December 1935.

Preliminary.

2. The Seven Percent Nanjangud-Chamarajanagar Railway Loan of rupees eight lakhs raised by the Mysore District Board in the year 1924 for the construction of a meter gauge line from Nanjangud Town to Chamarajanagar, in accordance with Government Order - No. L. 4998-500/L.B.129-22-8 dated 3rd/4th January 1924, fell due for repayment on 2nd January 1935. As the amount in the Sinking Fund for the redemption of this loan was not enough to discharge the loan of rupees eight lakhs and funds were also required to -- undertake some urgent works of public utility and convenience, - the District Board resolved to take a loan of rupees seven lakhs from Government to meet the above items of expenditure. Accordingly, a request was made to Government for the grant of the - above loan and this was generously sanctioned by Government in - their Order of 17th May 1934. The Railway Loan of rupees eight lakhs was then fully discharged with the amount thus obtained.

In

In the meantime, the rates of interest on Government and other securities and public loans went down so low as 4 or 3½ percent. The District Board taking advantage of this opportune time wanted to reduce the rate of interest, which they were -- paying on the Government loan at 5½ %, to 4 or 3½ % by raising a debenture loan from the public, as such a reduction in the rate - of interest was calculated to save about Rs 10,500/- annually to - the District Board in the shape of interest. Accordingly a - resolution was passed by the District Board in their meeting held on 22nd April 1935 to float a loan of rupees seven lakhs at 4 per- cent from the public and the Government were requested in this -- Office letter No.C.1458 L.B.34-35 dated 24nd April 1935 to permit the Board to float the loan early. Their request was generously sanctioned by Government with certain modifications in the Govern- ment Order of 19th. December 1935 referred to above and the -- President was authorised to take further steps for floating the loan of rupees seven lakhs at 3½ percent instead of at 4 percent, owing to the then prevailing conditions of the money market.

On account of some unforeseen circumstances as explained to Government in myletter No. C. 830 L.B.35-36 dated 30th April - 1936, the floatation of the loan was delayed for about 4 months. But it was, however, taken up in right earnest in May 1936 and - the Prospectus approved by Government was published in the Mysore Government Gazette dated 21st May 1936 and subscriptions to the - loan were invited from the public from the same day.

Terms of the Loan.

3. The loan was issued at par at a rate of 3½ percent - interest per annum, for a period of 15 years from 1st November - 1936 with discretion to the Board to discharge it 5 years earlier, in case it finds it possible to do so. It was kept open for - receiving public subscriptions till 30th June 1936 in the first - instance as ordered by Government; but as the amount of --

of subscriptions received by that date was very low, notwithstanding repeated advertisements in the local and outside newspapers and in the Mysore Government Gazette, and the loan bore interest only from 1st November 1936, the Government were requested to extend the period of loan till 31st October 1936. This was sanctioned by Government in their Order No.L.9736-37/ L.B.86-35-6 dated 26th June 1936. The loan was accordingly kept open for receiving public subscriptions till 31st October 1936.

As the interest allowed on the loan was only 3½ percent and no brokerage was sanctioned to brokers and bankers for canvassing subscriptions to the loan in the first instance, and the conditions regarding the levy of incometax on the interest payments on the loan till maturity were also not definitely mentioned in the prospectus, and the interest payments were not exempted from payment of stamp duty, the flow of subscriptions to the loan became quite tardy. Even though it was the end of July 1936, the subscriptions did not go above 1½ lakhs excluding the Palace contribution of rupees two lakhs. Though the stable features of the loan such as (i) guarantee of Government regarding the repayment of loan and (ii) payment of half yearly interest on it were explained to the public, it did not instantaneously create a confidence in them but gradually they had to be brought round by dint of constant writing to them about (a) the stability of the loan, (b) facilities afforded to draw interest in the State Treasuries and (c) the formation of a Sinking Fund for its redemption etc., On the representation of these difficulties in collection, the Government kindly permitted the Board to pay brokerage at 1/16 % on the unsubscribed portion of the loan to recognised brokers and bankers and to allow the intending subscribers to draw the half yearly interest on their debentures at the Bank of Mysore, Ltd., Banglore or at its branches. These concessions which were subsequently advertised in the Mysore

Mysore Government Gazette and also in the newspapers encouraged bankers and brokers to canvass subscriptions to the loan briskly and enabled the subscribers to draw the interest at a recognised bank also. The required amount of the loan of rupees seven lakhs (except Rs 9,400/- promised by the Kadur District Board) was received before the 4th November 1936, on which date the loan was advertised as closed. The cost of advertisement of the loan prospectus in newspapers amounted to Rs 360/-.

Printing of loan forms, registers and Debentures.

4. The forms and registers required in connection with the loan work were got printed at the Government Branch Press, Mysore. The required forms of the Debenture and the Stock Certificate were, after approval by Government, got printed at the Government Press, Bangalore under the personal supervision of Mr.D.Lakshminarasimhayya, Retired Superintendent of the Comptroller's Office, as the Branch Press pleaded its inability to print them at Mysore for want of the requisite materials and paper. The Superintendent, Government Press, Bangalore heartily co-operated with me in complying with my requisitions and arranged to print the debentures in a very short period of 10 days.

Paper and Design of the Debenture Forms.

5. The Superintendent, Government Press, Bangalore was requested to supply the required quantity of paper for the printing of the debentures and to send up the bill of cost for payment. He kindly accepted my request and printed the debentures, the best design and the ground work having been left to his discretion. The cost of paper and the printing of the debentures and other forms and registers has amounted to Rs 70/- nearly. A statement showing the debentures printed under each denomination with their face value is enclosed (Vide Statement 'C'). As all the debentures were issued direct from this office, there was little or no wastage of debenture forms. The debenture forms got from the Press have been properly accounted for.

Results of the Loan.

6. The total subscriptions to the loan including the promised amount of Rs 9,400/- by the District Board of Kadur, amount to rupees seven lakhs. statement showing the amounts received from 60 different treasuries in the State and from recognised Banks in Bangalore, Mysore and Madras is appended to this report (Vide Statement 'A').

In this connection, the District Board is highly thankful to the Mysore Palace Authorities for their substantial contribution of rupees two lakhs to this loan. The thanks of the District Board are also due to the Mysore Bank, Ltd., the Indian Bank, Ltd., Bangalore and the Muzrai Commissioner in Mysore who worked hard to secure subscriptions to the loan to the extent of Rs 76,100/-, Rs 84,700/- and Rs 75,000/- respectively. A statement showing the names of persons who subscribed Rs 5,000/- and more to the loan is appended (Vide Statement 'B').

Treasuries.

7. Necessary instructions to Treasury Officers regarding the procedure to be followed in receiving applications to the loan and their forwardal to this office, were issued by the Comptroller to Government at the request of this office, and the Board is glad to mention, with thanks, that the instructions issued have been closely followed by the Treasury Officers.

Brokerage.

8. The payment of brokerage to recognised brokers and Bankers at the rate of 1/16% was sanctioned by Government in their Order No. L. 890/L.B.86-35 dated 27th July 1936. The Indian Bank, Ltd., Bangalore and the Mysore Bank, Ltd., Bangalore did well in canvassing subscriptions to the loan, the amount of subscriptions received through them being Rs 84,700/- and Rs76,100/- respectively. The total charges on account of brokerage paid and yet due amount to Rs 121/-.

Work done.

9. Work done in connection with the loan andthe establishment required for the loan work.

As the loan work was purely of a technical nature, the services of Mr. D.Lakshminarasimhayya, Retired Superintendent of the Comptroller's Office were obtained for doing this work, with the sanction of Government for a period of 3 months in the first instance on a monthly allowance of Rs 50/- for 1½ months, and Rs 100/- for the remaining period. Subsequently, his services were got extended by 4 months on a monthly allowance of Rs 100/- as the loan work had to be continued owing to the very slow manner in which the subscriptions were received. All the applications received through Banks, Treasuries and individual holders were dealt with direct by him. No other hands were employed on this work, except one clerk of the office who was asked to write up the issue register and to attend to the despatching work of Bonds and other papers connected with the loan, in addition to his legitimate work. The typist also did all typing work connected with the loan work, in addition to his current duties of the office.

In all the cases, bonds and advance-interest warrants were issued very promptly without giving room for delay, after examination of the necessary documents in the case of Societies, Banks, Associations, Clubs and Sabhas etc., A statement showing the number of Bonds issued under each denomination and their face value is enclosed to the report (Vide Statement 'D'). The accounts of the loan were satisfactorily closed after reconciliation of the issues with the treasury credits and the debits, with the total amount of cheques and interest warrants issued. Enfacement advices have also been issued to the Treasuries and the Mysore Bank, Ltd., Expenditure on establishment in connection with the loan work was kept down as low as possible.

E X P E N D I T U R E.

10. Statement 'E' shows the expenditure incurred in connection with the loan, as also the advance interest etc., paid. The

The expenses incurred under advertisement, brokerage, printing and stationery and establishment charges have already been referred to above.

Effect on the Revenue Budget.

11. By floating the 3½ % Debenture Loan 1946-51, the District Board has saved a sum of Rs 14,000/- per annum in the shape of interest, and consequently its income will be increased by that amount from the date of complete discharge of the Government loan of rupees seven lakhs. The total amount of subscriptions received has been paid to Government in discharge of the loan of rupees seven lakhs, except a sum of Rs 25,000/- which will also be paid to Government very shortly.

Work stillto be done.

12. The only work to be done is to watch recoveries in cash of certain small amounts due to the District Board as interest, from certain Muzrai institutions and to watch the delivery of new bonds to the subscribers by the treasuries. Attention is being paid to these items.

Acknowledgment.

13. The District Board thank the several Banks and Treasuries and the Government Press, for their hearty-co-operation and timely assistance in the satisfactory execution of the loan work. They also thank the Secretary to Government, Development Department and the Comptroller to Government for their valuable advice and guidance throughout the course of the loan operations.

Before concluding my report, I would be failing in my duty if I don't mention how valuable the services of Mr.D.Lakshminarasimhayya were to me throughout this work. He applied himself very diligently to his duties and I am more than satisfied with his services.

I have the honor to be,
S i r ,
Your most obedient servant,

B B Puttaswamy

P R E S I D E N T ,
DISTRICT BOARD OF MYSORE.

Y.S.K.

Statement 'A'.

Statement showing the amount of subscriptions received to the Mysore District Board 3½ percent Debenture Loan 46-51 at the various treasuries, Banks, etc., in Mysore State & Madras.

Sl.No.	Names of treasuries, Banks & other sources.	No.of Applications.	Amount.	Remarks.
			Rs	
1	State Huzur Treasury, Bangalore	29	93,150/-	
2	Mysore District Treasury	26	46,200/-	
3	Hassan District Treasury	8	2,700/-	
4	Kadur District Treasury	2	9,500/-	* 1 Application for Rs9400/- is awaited.
5	Tumkur District Treasury	21	24,600/-	
6	Kolar District Treasury	4	850/-	
7	Chitaldrug District Treasury	7	16,200/-	
8	The Bank of Mysore, Limited.	19	76,100/-	
9	The Indian Bank, Ltd., Bangalore	8	84,700/-	
10	The Muzrai Commissioner in Mysore, Bangalore	21	75,000/-	
11	The Mysore Palace.	1	2,00,000/-	
12	Tumkur District Board	1	50,000/-	
13	Imperial Bank, Madras	2	6,000/-	
14	District Board Office, Mysore.	3	15,000/-	(Messrs.P.A.Belcham Rs 5000/- Sampathkumaracharya Rs 5000/- Bharatalaksmi Bank. Rs 5000/-)
	Total	152	7,00,000/-	

Y.S.K.

B S Puttaswamy
PRESIDENT,
DISTRICT BOARD OF MYSORE.

Statement 'B'.

Statement showing the names of persons who subscribed Rs 5000/- and more to the Mysore District Board 3½ percent Debenture loan 1946-1951.

Sl. No.	Name and address.	Amount subscribed.
		Rs
	Mrs.L.Arklie, C & M Station, Bangalore	10,000
	The Mysore Palace	2,00,000
	Private Secretary to H.H.the Maharaja on behalf of the Government House Staff Relief Fund.	8,000
	Donation Union Link on Railways, Cockburn Road, Bangalore.	30,000
	Mr.Nandagiri Narayana Rao, Taskar Town, Bangalore	5,000
	The Canara Industrial and Banking Syndicate, Ltd., Bangalore	20,000
	The Bank of Mysore, Ltd., Mysore.	10,500
	Mr.P.A.Barton, South Parade, Bangalore	5,000
	Sir Vepa Ramesam, Retired Judge, High Court, Madras.	10,000
	Mr.K.B.Madhava, Professor, Maharaja's College, Mysore	17,150
	Mr.P.A.Belcham, Hinganghat.	5,000
	The Bangalore Race Club.	27,000
	Sri Vaishnava Sabha, Mysore.	5,500
	Mrs.Kaveramma	5,000
	The Bangalore, Printing and Publishing Company.	6,000
	Mr.B.S.Krishna Swami Iyengar, Retired District Judge, Bangalore.	29,200
	Mr.J.Satyanarayappa Setty, Rayadurg.	5,000
	A.R.R.M.Ramanathan Chettiyar, Mylapore, Madras.	10,000
	Kille Kacheri Bakshi, Mysore.	8,800
	Mr.Darasiva Rao, West Godavari.	10,000
	The Indian Bank, Ltd., Bangalore	10,000
	The Malleswaram Co-operative Bank, Ltd., Bangalore	10,000

The

Statement 'B'.

Sl. No.	Name and address.	Amount subscribed.
		Rs
23	The Bharatalaksmi Bank, Ltd., Masulipatam	5,000
24	Mr.R.A.Sampathkumaracharya, Assistant Inspector of Education, Saklespur	5,200
25	Mr.B.V.Vittal Murthy, Lalitham, Malleswaram, Banglore	8,000
26	Tumkur District Board.	50,000
27	Kadur District Board (Promised)	9,400
28	Through the Muzrai Commissionerin Mysore, Bangalore	75,000
29	Mr.N.Channanjappa, Merchant, Gubbi.	5,000

B B Puttaswamy

PRESIDENT,
DISTRICT BOARD OF MYSORE.

Statement 'C'.

Statement showing the denominations of the Debentures and Stock Certificates printed with their face value.

		Rs
A (Rs 50/-)	500 copies	25,000/-
B (Rs 100/-)	500 copies	50,000/-
C (Rs 1,500/-)	300 copies	1,50,000/-
D (Rs 1,000/-)	500 copies	5,00,000/-
Stock Certificates	100 copies	--
Total	1900 copies	7,25,000/-

B S Puttaswamy

PRESIDENT,
DISTRICT BOARD OF MYSORE.

Y.S.K.

Statement 'D'.

Statement showing the number of debentures issued under each denomination with their face value.

Denomination.	Number.	Face Value.
		Rs
A	46	2,300/-
B	100	10,000/-
C	50	25,000/-
D	301	3,01,000/-
Stock Certificates	11	3,52,300/-

N.B:-

Total number of debentures	497	Rs 3,38,300/-
Total amount of stock certificates	11	Rs 3,52,300/-
Amount of stock to be issued to Kadur District Board.	1	Rs 9,400/-
Total	509	Rs 7,00,000/-

B S Puttaswamy

PRESIDENT,
DISTRICT BOARD OF MYSORE.

Y.S.K.

Statement "B".

Statement of expenditure incurred in connection with the flotation of the 3½ percent Debenture Loan 1948-1951.

Sl.No.	Nature of the charge.	Amount.	Remarks.
1	Advance interest paid to subscribers on loan applications received Rs 4,548/- Deduct interest recovered on applications received after 1st November 1936. Rs 310/- Rs 4,238/-	4,238/-	
2	Establishment Charges:-		
	i. Allowance to Mr.D.Lakshminarasimhayya for doing the loan work including the Travelling allowance	659/-	This is sanctioned by Government in their Orders dated 6-5-36; 30-9-36 and 26-12-1936.
	ii. Allowance to one clerk and typist for assisting the loan work.	90/-	Vide this office letter No.C.1372/ 35-36 dated 11-1-1937, requesting Govt- Sanction him to pay this.
	iii. Contingencies	40/-	
3	Advertisement charges paid	360/-	- -
4	Brokerage paid and yet due	121/-	This is sanctioned in G.O.No.L. 890/L.B.86-35 dated 27-7-1936.
5	Cost of stationery purchased and printing charges for printing forms and loan bonds, as per bills received and yet due from the Press.	70/-	(nearly) Bills are awaited for printing loan registers and forms(ordinary).
	Total	Rs 5,578/-	

B Puttaswamy

PRESIDENT,
DISTRICT BOARD OF MYSORE.

Y.S.K.

G. R. S. App. F VI—G 2]

SUBJECT .....

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Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue.....10/2/....1937.

Signed by Mr Ramakrishnappa

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

8.2.37.

Section L B

File No. 46-36

Serial No. 7

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read—

Letter No C. 1372/35-36 dt 15.1.37 from the President, Dist Bd, Mysore forwarding two Reports on the operations of the Mysore Dt Bd 3½ % Debenture Loan 1946-1951

Order thereon.—No. L 5865-7 9/10/2/37.

Recorded.

8/2/37

for Secy to Govt Dev Dept

Pdt Mysore Dt Bd. (Revd Fin &c.)

Comptroller for Govt

Dy Secy. Mysore Forest

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Letter No. C. 1378/33-36 dated the 15th January 1937 from the President, District Board, Mysore forwarding his report on the operations of the Mysore District Board 3½ per cent debenture loan 1946-51.

Order No. L. 5865-7/L.B. 46-36-7

Dated, Bangalore, 8th/10 February 1937.

Recorded.

T.D)

for Secretary to Government,
Development Department

To

The President, District Board, Mysore,
through the Deputy Commissioner of the District,

The Comptroller to Government,

The Deputy Commissioner, Mysore District.

Pelln